

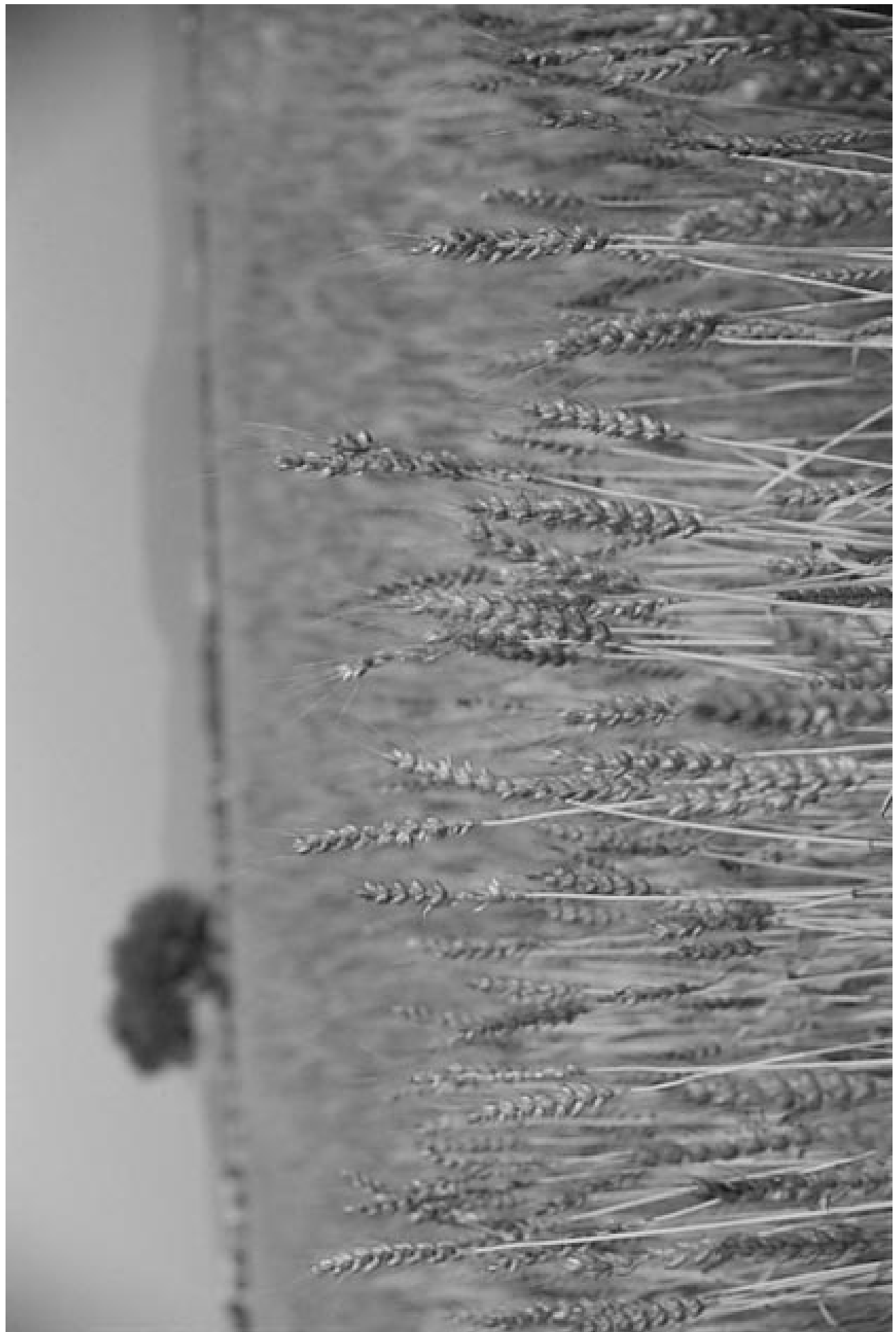


Electronic Signatures

**Transactions are Transactions,
Contracts are Contracts,
but Everything Else Changes**

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Office of the Secretary of State

A foundation session on
**Infrastructure,
Roles and Relationships**





Farmers had **no experience** with combustion engines.

Or any idea of what the rumored new machines could do. Until they saw them at the county fair.



Complex Economic Decisions

The new tractor lets you harvest as much in 1/2 hour as it used to take 2 hours to do.



But the wagon still takes an hour getting to the granary and an hour getting back.



Investment in a tractor led to other investments.

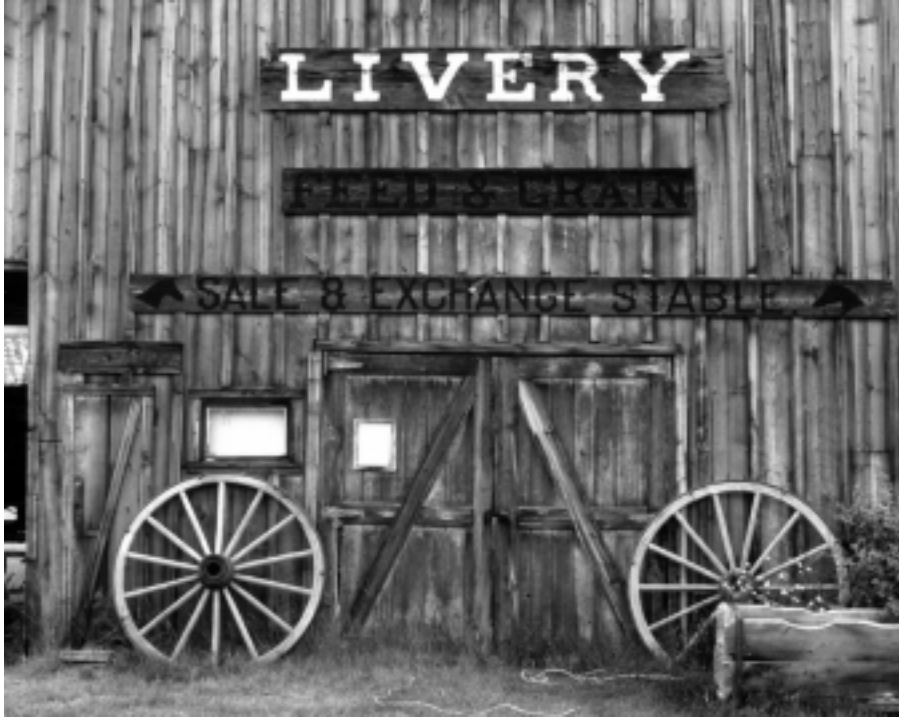


And decisions about

- Where and how to repair,
 - Where and how to fuel
- would change how other products were sold and delivered.



Change was incremental.



Vendors had to change or die.

The lever on the left of the gas pump is a hand pump lever - the gas was literally pumped by hand.

(there probably wasn't any electricity in town.)





Mechanization
changed paths
to roads,
and eventually,
to highways





Farmers contended with
vendor lock-in.

Buying a John Deere tractor meant
a John Deere plow, etc., etc.

And they risked buying machines
that they couldn't get repaired.



We face **similar issues with electronic signatures and the documents signed with them:**

- No experience,
- Risk buying tools too soon or too late
- Risk spending too much or not enough,
- Little infrastructure to support use,
- Risks of vendor lock-in on tools that won't become mainstream tools,



The infrastructure is as important as the tool.

The key is a flexible, collaborative approach leveraging our skills and resources as we learn the new methods.

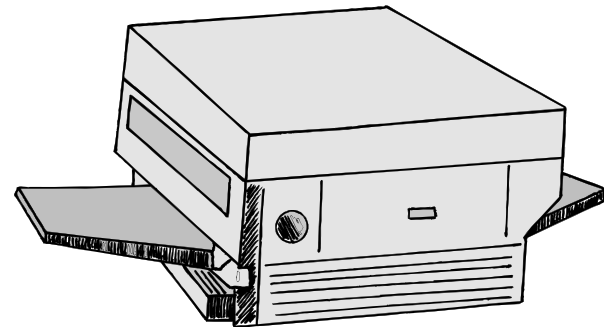
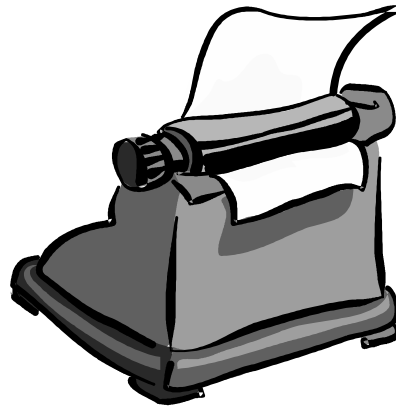
**The legal foundation is in place,
the infrastructure needs to be completed.**

- The revolution of the tractor didn't change the face of farming overnight.
- And similarly, the revolution of electronic signatures won't change the face of commerce or government overnight.
- The individuals need to become comfortable with using electronic signatures before they can be widely used.
- People become comfortable with what they see and know.
- Once business and government begins using a few tractors in the community, people will begin to see them.
- Once people see their benefit, they'll want to learn about them.
- Once they realize it's better farming, the infrastructure will be built.

Of course how and what we sign has never changed until now.



Signing and document management has changed before.



Now, let's explore *how* the legal foundation is in place.